

Small Business Employment and Education Enhancement Act of 2001 (Introduced in Senate)

S 183 IS

107th CONGRESS
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S. 183

To enhance Department of Education efforts to facilitate the involvement of small business owners in State and local initiatives to improve education.

IN THE SENATE OF THE UNITED STATES

January 25, 2001

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To enhance Department of Education efforts to facilitate the involvement of small business owners in State and local initiatives to improve education.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Small Business Employment and Education Enhancement Act of 2001'.

SEC. 2. FINDINGS.

(1) The authorizations of most programs providing Federal aid to elementary and secondary education, and support for educational research, statistics, and assessment activities, including programs under the Elementary and Secondary Education Act of 1965 (ESEA), the Goals 2000: Educate America Act (Goals 2000), the Educational Research,

Development, Dissemination, and Improvement Act of 1994 (ERDDIA), and the National Education Statistics Act of 1994 (NESA), expired during the 106th Congress.

(2) The reauthorization of the Elementary and Secondary Education Act of 1965 is likely to occur during the 107th Congress.

(3) The programs authorized under the Elementary and Secondary Education Act of 1965, the Goals 2000: Educate America Act, the Educational Research, Development, Dissemination, and Improvement Act of 1994, and the National Education Statistics Act of 1994, constitute the majority of Federal grants for elementary and secondary education.

(4) The business community, and small businesses in particular, have an important stake in the education of our Nation's youth.

(5) One of the most fundamental needs that any growing business will ever face is the need for employees with basic skills.

(6) Concerns have been expressed by the small business community that students are not graduating with adequate basic skills in reading, writing, mathematics, and science that allow the students to succeed in today's workplace or become the entrepreneurs of tomorrow.

(7) A 1999 American Management Association survey on workplace testing found that--

(A) approximately 36 percent of employees tested for basic skills (reading, writing and mathematics) were found to be deficient;

(B) small businesses had deficiency rates well above the national average; and

(C) 60 percent of American Management Association member companies reported that the availability of skilled manpower was scarce, and 67 percent believe that the shortages will continue.

(8) A 1999 National Federation of Independent Business report found that 18 percent of the members reported finding qualified labor is the most important problem facing their business.

(9) A 1999 poll of the United States Chambers of Commerce found that 83 percent of the members reported the ability (or lack thereof) to get qualified workers is among the members' biggest concerns, and 53 percent of the members said education is the single most pressing public policy issue for the members.

(10) The growth of high-skilled jobs is outpacing growth in all other fields.

(11) Small business is the driving force behind our Nation's economy.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that--

(1) locally-driven initiatives to improve education are crucial;

(2) the views of small business should be taken into account in the debate over education;

- (3) in order to create jobs, our Nation must encourage small business expansion and foster small business entrepreneurship and job creation, and education initiatives are key to this effort;
- (4) the Department of Education should facilitate the sharing of ideas and best practices at the State and local level, particularly with respect to partnerships between small businesses and school systems; and
- (5) when and where Department of Education approval of a program or proposal is required, the Department of Education should expedite approval of such programs or proposals.

SEC. 4. INFORMATION DISSEMINATION AND SHARING.

The Secretary of Education shall disseminate information and facilitate the sharing of information designed to assist small businesses in working with school systems to improve the education system through publication of guidance materials, best practices, checklists, and other formats on the World Wide Web, in Department of Education publications and articles, in letters, through links to other related World Wide Web sites, through public service announcements, and through other means at the Department's disposal.

SEC. 5. DEPARTMENT OF EDUCATION CLEARINGHOUSE FOR INFORMATION.

The Secretary of Education shall establish a centralized database of materials to act as a clearinghouse for information on successful initiatives and best practices regarding the involvement of small businesses in education. The clearinghouse shall receive, collect, process, assemble, and disseminate reliable information, including innovative, successful activities with a proven track record at the State and local level.

SEC. 6. OFFICE OF SMALL BUSINESS EDUCATION.

Title II of the Department of Education Organization Act (20 U.S.C. 3411 et seq.) is amended by adding at the end the following:

SEC. 220. OFFICE OF SMALL BUSINESS EDUCATION.

(a) There shall be in the Department an Office of Small Business Education (hereafter in this section referred to as the 'Office'), to be administered by the Director of Small Business Education. The Director of Small Business Education shall report directly to the Secretary and shall perform such additional functions as the Secretary may prescribe.

(b) The Director of Small Business Education, through the Office, shall--

- (1) review the needs of small businesses and the contributions the small business community may make with respect to efforts to improve education;

- `(2) promote efforts to address the needs of small businesses through education programs;
- `(3) work to remove impediments to partnerships between school systems and small businesses; and
- `(4) propose solutions to education-related problems facing small businesses.'

SEC. 7. TECHNICAL ASSISTANCE.

- (a) IN GENERAL- The Director of the Office of Small Business Education shall provide technical assistance to small businesses, small business organizations, school systems, and communities working cooperatively to improve education outcomes.
- (b) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2001 and each of the 4 succeeding fiscal years.

SEC. 8. TAX CREDIT FOR QUALIFIED EDUCATION OPPORTUNITY EXPENSES.

- (a) IN GENERAL- Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by adding at the end the following new section:

`SEC. 45E. SMALL BUSINESS EDUCATION OPPORTUNITY CREDIT.

- `(a) GENERAL RULE- For purposes of section 38, in the case of a small business, the small business education opportunity credit determined under this section for the taxable year is an amount equal to 15 percent of qualified education opportunity credit expenses paid or incurred by the taxpayer during the taxable year.
- `(b) QUALIFIED EDUCATION OPPORTUNITY EXPENSES- For purposes of this section--
 - `(1) IN GENERAL- The term `qualified education opportunity expenses' means an amount paid or incurred in connection with an eligible work study program, including--
 - `(A) administrative expenses of the taxpayer, and
 - `(B) remuneration paid to participants in such program for services performed by such participant.
 - `(2) ELIGIBLE WORK STUDY PROGRAM- The term `eligible work study program' means a written program--
 - `(A) approved by the appropriate State educational agency, and
 - `(B) involving a partnership with a secondary school to provide work study and internship opportunities for eligible individuals.
 - `(3) ELIGIBLE INDIVIDUAL- The term `eligible individual' means an individual who is--

`(A) a full-time student in a secondary school, or

`(B) a full-time teacher in a secondary school.

`(4) EXCEPTIONS- Such term does not include--

`(A) expenses for which any other Federal or State credit or payment is made, or

`(B) expenses paid or incurred for a professional conference or for an orientation program.

`(c) DEFINITIONS; SPECIAL RULES-

`(1) SECONDARY SCHOOL- For purposes of this section, the term 'secondary school' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of enactment of this section.

`(2) SPECIAL RULES- Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply for purposes of this section.

`(3) AGGREGATION RULES- All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as one person for purposes of subsection (a).

`(d) DENIAL OF DOUBLE BENEFIT- No deduction or credit shall be allowed under this chapter (other than a credit under this section) for any amount taken into account in determining the credit under this section.'

(b) LIMITATION ON CARRYBACK- Section 39(d) of the Internal Revenue Code of 1986 (relating to transition rules) is amended by adding at the end the following new paragraph:

`(10) NO CARRYBACK OF SMALL BUSINESS EDUCATION OPPORTUNITY CREDIT BEFORE EFFECTIVE DATE- No portion of the unused business credit for any taxable year which is attributable to the small business education opportunity credit determined under section 45E may be carried to a taxable year ending before the date of the enactment of section 45E.'

(c) CONFORMING AMENDMENT- Section 38(b) of the Internal Revenue Code of 1986 (relating to general business credit) is amended by striking 'plus' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ', plus', and by adding at the end the following new paragraph:

`(14) the small business education opportunity credit determined under section 45E(a).'

(d) CLERICAL AMENDMENT- The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 45D the following new item:

`Sec. 45E. Small business education opportunity credit.'

(e) EFFECTIVE DATE- The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 9. STUDY AND REPORT.

(a) IN GENERAL- Not later than 6 months after the date of the enactment of this Act, the Secretary of Education shall conduct a study and submit to Congress a report regarding the challenges facing small businesses in obtaining workers with adequate skills.

(b) CONTENTS- The report shall include the following:

- (1) Information on the shortage, if any, of workers with adequate skills in the small business sector.
- (2) An assessment of the impact on small business of the shortage, if any.
- (3) The costs to small businesses associated with the shortage, if any.
- (4) The recommendations of the Secretary, if any, on how to address the challenges facing small businesses due to the shortage, if any, of workers with adequate skills.